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SOCIAL STRUGGLES.

THE

FUNDAMENTAL FACTS AND PRINCIPLES

RELATIVE TO

VALUES, PRICES, MONEY AND INTEREST; NATIONAL
BANKS, FRANCHISES,
THE SILVER QUESTION,
SOCIALISM, CAPITAL AND LABOR, AND BUSINESS
DERANGEMENT.

BY

JOHN PHILIP PHILLIPS.

Whatever cannot bear investigation has no right to exist.

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DEDICATION.

TO THE

**MEN WHOSE STEADFAST VALOR HAS BEEN OUR NATIONAL RELIANCE
IN TIMES OF WAR, AND WHOSE PATIENT INDUSTRY HAS EVER
BEEN OUR SUPPORT; TO THOSE WHOSE BUSINESS AND
DAILY BREAD ARE VITALLY AFFECTED BY FLUCTUA-
TIONS IN PRICES, WAGES AND INTEREST;
TO THE FARMERS, MECHANICS AND OTHER
HONEST CREATORS OF WEALTH, THIS
WORK IS RESPECTFULLY DEDICATED.**

CHAPTER XX.

Is it a Crime to own Land?—Let us Think for Ourselves.—From whence does Land derive Value?—Land has no Intrinsic Value.—Value of New York Land.—The Value of Land Depends upon Conditions.—The Value of a Certain Piece of Land is not Identical with that of the Work Performed Thereon.—Rights in Property.—Why Possession of a Certain Piece of Land is Desired.—Why Absolute Ownership of Personal Property is Desired.—Why Absolute Ownership of Real Estate is Desired.—If the present Owners of Land Retained Possession as tenants, how State Ownership, without Compensation, would produce Injustice.—Private Ownership of Things.—Rise of Land in Value.—Some Facts Concerning Real Estate.—How Great Fortunes are Usually Made.—Has a Person a Right to Inherit Land?—Aversion to Land Ownership.—How shall Choice of Lands be Made?—An Impracticable Scheme.—The True Principles of Taxation.—Folly of Invariable Taxes.—Land Titles.—Preservation of Liberty.

No matter how widely extended nor deeply seated the ill effects of a vicious system of taxation, a currency whose use occasions great fluctuations in prices, inequitable grants of privileges, franchises and patents, and kindred governmental errors may be, they rarely attract the attention of agrarian agitators. It requires less thought to ascribe all social evils to one thing than to examine the actual sources of those evils.

IT has been said that as land is not a product of human exertion, no one can have a right to the individual ownership of any portion of it; that land was created by the Deity as a free and valuable gift to all his creatures and that therefore, like the air and sunshine, all persons have an equal, natural-born right to its ownership and enjoyment. It is also said that the intention of the Creator was to provide land for the common use of all, and that this intention is defeated if the ownership of land does not exist in those for whom it was created, to-wit: all persons; in other words, the State. It follows that the State is merely

a perpetual trustee for all the people and has no right to give, grant, or sell the ownership of land to any person whatsoever; and that therefore, as a grant or sale of land by the State has no warrant in natural justice, all titles and evidences of individual ownership of land, under and by any State authority, are null and void.

From the foregoing premises is deduced the statement that private ownership of a piece of land, no matter how small its size, is an infringement of the natural right of every person to be and remain a common owner of all the land; and that any person who pretends to such ownership by virtue of any claim or title whatsoever, and forcibly maintains such pretense, commits an act as criminal as he that forcibly enslaves his fellow-man. One is a robber of land, the other a robber of personal liberty. It is also held that the aforesaid natural right in the common ownership of land is an inalienable one; that no matter what written deed or covenant a person may solemnly sign, he and his descendants and all his fellow-beings still of right remain the joint owners of all the land in the State precisely the same as if no such pretended and fraudulent sale of land had been made.

Moreover, it is said that land owners are a class with special and unjust privileges which enable them to derive a revenue from public property and grow rich by the toil of others.

The logical conclusion of the foregoing train of argument is then reached, to-wit: that as the State is the rightful and perpetual owner of all the land within its borders, it should at once exercise this right by requiring all occupants of land to pay rent therefor to the State, this rent being the full rental value of such land. It is assumed that this procedure would so enrich the commonwealth that no taxes of any kind whatsoever would be required. All taxation would thus be placed upon land; thereby creating so onerous a burden that many who now own and occupy real estate would be forced to abandon its possession. The State would thus soon have the disposal of "Free Land";

that is, any one could have its possession and use by paying the annual rental thereof.

In other words, it is held that the State should at once treat all persons who claim individual title to land as criminals, and, by taxation to the full amount of rent derivable therefrom, virtually confiscate such titles for the public benefit.

It is likewise held that, as all individual titles to land outrage natural justice, the State would be under no moral obligation whatever to make compensation to those who now claim its ownership. However, as a matter of expediency and convenience, it is suggested that they be not ejected from the premises, but allowed to retain possession upon annual payment of their full rental value. The foregoing measure would also expunge all property now existing in form of mortgages on real estate. Ownership of a piece of land would then resemble ownership of a four-per-cent. government bond, the principal of which was never due and upon which an annual tax of four per cent. was laid.

LET US THINK FOR OURSELVES.

The intimate familiarity with the secret thoughts and purposes of the Most High, enjoyed by those who proclaim the foregoing doctrines, has been denied us. Nevertheless, we can consider some facts and principles relative to real estate.

As it has been said that individual ownership of land is as wrong as individual ownership of sunshine, let us, in the outset, note the wide distinction between those two things.

Sunshine needs no trustee, guardian, nor owner. Neither care nor labor need be bestowed upon it. Human exertion can neither improve nor injure the flood of light and warmth which, from a far distant sphere, comes streaming alike upon sterile wastes and cultivated lands, upon desolate regions and populous cities. But the earth, originally a wilderness, is susceptible of improvement by human labor:

nay more, labor upon land is absolutely essential to man's existence and development.

FROM WHENCE DOES LAND DERIVE VALUE?

In Chapters VII. and VIII. we found that the idea of value—that is, the amount of advantage or benefit which it is supposed will be conferred by the ownership of a certain thing—does not depend simply and solely on the intrinsic qualities of that thing. Those qualities are only one of the factors which create the result we call "value." The amount of value which the ownership of a thing possessing definite intrinsic qualities brings and carries with it, depends entirely upon the circumstances and conditions in and under which such thing and the owner thereof are placed and situated.

In other words, while each and every different thing on earth possesses intrinsic qualities more or less peculiar to itself, Value is not one of those inherent qualities. All things possess certain *inside*, or inherent, qualities, the value of which, at a particular time and place, are determined by their *outside*, or external, relations to mankind and to other things.

Value is an extrinsic result of conditions, and may be defined as a judgment and appraisal of the importance of owning or using one thing, relative to the importance of owning or using the object of comparison, at a given time and place and under certain circumstances. A statement of such a comparison is a statement of value.

The natural law which creates and governs value exempts nothing whatsoever from its perpetual influence. No matter what possesses it, value is always an external relation of one thing to another, usually estimated by numerically comparing the extent to which its ownership or possession will presumably gratify human desires or supply human wants with the extent to which some other thing will perform a similar function. We estimate and state value by a numerical ratio simply because that is the only universal method by which the relative importance of all things can be compared.

LAND HAS NO INTRINSIC VALUE.

In this way the importance of land ownership is estimated and stated. Like all other things to which a price may be attached, land has no "intrinsic value" whatsoever. It is valueless unless it gratifies a human desire or supplies a human want, and whether it can do this or not, and if so, to what extent, depends upon its surroundings, and the relation it bears to mankind. The market price of land is the means employed to express public opinion of the advantage of owning a certain piece of it, compared with the advantage of owning a certain amount of money.

Originally there was no land with a market price attached thereto. This was so because until an extrinsic value was conferred upon land by human exertion it had no value whatever. The idea that land inherently possesses value is the fundamental mistake upon which rests the statement that "no one has a right to own the value created by the Deity." The fact simply is that the Creator did not see fit to create intrinsic value of any kind. He created various things with intrinsic qualities, but left to mankind the task of creating the extrinsic result, the supply of human desires and wants which we call "value." For example: where to-day a valuable water-power exists a rapid stream flowed on for ages without the faintest idea of value being attached to its current.

Doubtless an Infinite Power could have obviated the necessity of mankind laboriously making dams and, in fact, any other works. But He did not. It is idle to theorize with reference to imaginary things. The world as it is, the actual facts before us, should engage our attention.

In the central portion of this city there is land which without any buildings thereon would readily sell for \$250,000 per acre. Within five miles of this high-priced land, there are large tracts which cannot be sold for \$50 per acre, and if their owners should offer to give them away, in acre building lots, to whoever wished to build

houses thereon, no one would accept the gift. Yet these acres have the same intrinsic qualities as the land eagerly bought at \$5.00 per square foot, and three hundred years ago had the same value; that is, both were substantially valueless. In New York City there are acres of land worth over a million dollars per acre. Yet it is comparatively a short time since all Manhattan Island could have been bought for a few red blankets. The conditions surrounding this land are widely different from what they were then; but its intrinsic qualities are unaffected by the external changes. Its value has kept pace with altered conditions.

The fact that there never was an acre of land with intrinsic value is exemplified by the present value of land throughout the world. Land is valueless just in proportion as it remains in its original condition and surroundings. At the present time there are vast tracts of fertile land which cannot be sold for twenty-five cents an acre. Yet this land has the same intrinsic qualities as the land that, under different conditions, sells for \$100.00 per acre. Moreover, land, by the growth of favorable circumstances, may become very valuable, but this does not insure its remaining so. Whenever the conditions which gave it value cease to exist, it relapses into its primitive state.

VALUE OF NEW YORK LAND.

Let us test some common beliefs about land by a hypothesis which would place New York City under conditions similar to those which in the past have frequently isolated great cities from the channels of commerce. Invention, discovery, wars and political transformations have often changed the course of the trade which nurtured a city and thus have simultaneously reduced its population, wealth, political power, commercial importance and the value of its lands to comparative insignificance. Instead of those causes, suppose an earthquake should immediately change the relation which Manhattan Island now bears to the United States. Suppose a channel should be opened

so that the Hudson River would pass through the Highlands at West Point and empty its waters into a harbor in the middle of the New Jersey coast, far surpassing the present harbor of New York. Suppose this convulsion should rear a mountain chain in the lower Hudson valley and destroy the East River and the present New York harbor.

What effect would the foregoing changes have upon the land now so enormously valuable? Soon after the earthquake commerce would begin in the new harbor. The population and capital now in New York would hasten to remove to a spot whose conditions better fitted it for the commercial centre of a great nation. The vast amount of labor heretofore expended on the land constituting Manhattan Island would not suffice to arrest its depreciation for a single day. Not another new building would be erected in New York. Land now valuable for residence purposes would be placed under conditions which would render it comparatively worthless. What is now deemed a very desirable kind of property—land on the chief business streets of New York—would then be unsalable at one-fourth the present price.

Even if every square foot of land in New York were then owned by one man, such monopoly would not have the slightest effect in retarding the diminution of its value. It would fall in value for the same reasons and in the same manner that it would if individual ownership of land did not anywhere exist within that municipality.

THE VALUE OF LAND DEPENDS UPON CONDITIONS.

The above named events would occur because the aggregate of conditions which now give value to the land of New York City would largely cease to exist. The conditions of labor expenditure on the land and its private ownership would remain as at present, but they would not prevent a tremendous change in land values.

It would then clearly appear that the amount of labor expended upon municipal land and its individual ownership

are neither the sole nor even the dominant causes which give and sustain its value. Such land rises and falls in value just in the proportion that it fills and supplies a commercial, political, social and industrial want; not merely of the residents of the particular city in which it lies, but of the nation, and in case of cities largely engaged in foreign commerce, a considerable portion of the population of the entire globe. Without labor expended upon it municipal land could not thus supply human wants. The broad distinction is, that such labor upon a tract of land is of no avail unless it creates conditions which harmonize with a multitude of other conditions and wants arising outside of it. In verification of this we have only to consider the history of land where large and wealthy cities once stood, whose ruin was wrought by events that placed other locations under conditions which gave them a greater fitness for the supply of human needs.

Labor bestowed upon land is simply *one* of many conditions upon which its value depends. The same thing is true of an increase of population. It is not simply the *numbers* of the persons who dwell upon a certain area which determine its value. The swarming thousands of some Eastern cities inhabit ground of little value compared with that of other locations, like Newport, with a small population. The character, wealth and intelligence of those persons, and the relation they bear to the rest of mankind, are dominant factors. The location of a city, the facility with which its area can be enlarged, also has an important influence on the value of its lands.

THE VALUE OF A CERTAIN PIECE OF LAND IS NOT IDENTICAL WITH THAT OF THE WORK PERFORMED THEREON.

Whether labor shall raise the value of land upon which it is expended, or not, depends on the ultimate result of such labor; viz., whether it places such land under conditions which will enable it to gratify human desires or supply

human wants better than it did before, and better than other lands with which it is in competition.

If the value of land increased simultaneously with an increase of the labor spent upon it, there would always exist a measure by which the value of a particular piece could precisely be ascertained. The owner could simply show that a certain amount of work had been done on his real estate and the buyer would at once know its value. But such is not the case. Take the farms in the State of New York, for example. As a whole, those farms have a lower value to-day than would be arrived at if the original land were computed at one cent per acre, and the ditches, fences, clearing off stone, buildings and other improvements were computed at the rate of fifty cents for every twelve hours' work thereon, the workman to board himself. In fact, many such farms can be bought at a price computed on the basis of one cent an acre for the original land, and twenty-five cents for each day's labor spent in fitting such land for human habitation and sustenance.

Are the men whose patient toil has made these farms what they are "robbers"?

Similar facts are constantly presented in all our cities. Whoever will visit a city real estate office can readily find numbers of houses and lots for sale at prices less than the cost of building such houses, without calling the lots worth one cent.

The conditions which work upon land has created, relative to human wants, personal property, and other lands, are the test and source of land values.

In the aggregate the lands in the United States have no greater value than that represented by the labor which has been spent upon them and a moderate interest on such labor. If all the labor bestowed upon land had been directed with the utmost conceivable wisdom and intelligence, for the express purpose of getting an equal pecuniary return therefrom, the present commercial value of real estate would more nearly equal its cost than it does. But, in fact, labor is seldom so directed, and consequently a portion of

it is comparatively fruitless. It necessarily follows that the existing value of land, as a whole, must always be less than the cost of the labor from which has sprung the conditions which confer such value. Therefore, the buyer of improved real estate becomes, on the average, for a given sum of money, possessed of more valuable land than he would if he had got the land in its primitive state and surroundings for nothing, and then made the improvements, with the average degree of intelligence, himself.

Both upon land and personal property labor may be applied to the creation of conditions in such manner that the value so evoked will exceed the cost of the labor. But, as a matter of fact, the permanent improvement of land, on the average, does not create so large an amount of value as the cost of the labor thus employed; that is, if the wages of such labor be reckoned at the rate usually paid for similar services. This anomaly is chiefly produced by three causes.

First. Deficient judgment, knowledge and skill in the application of labor to land improvements. A combination of brute strength, industry and ignorance usually fails to produce the best possible results from a given amount of exertion.

Second. The making of improvements for the gratification of individual fancy and the supply of individual wants, with little reference to the amount of commercial value thus produced; that is, the value to the great majority of other persons. Expensive improvements are constantly being made which the maker knows would not sell for half their cost. From this fact has arisen the proverb: "Fools build houses for wise men to live in." What is true of houses is true to a considerable extent of all other kinds of land improvement.

Third. The majority of those who own and dwell upon a piece of land soon acquire an affection for it. To them it is a home, it is something more than a piece of property which can be bought and sold with reference solely to the number of dollars given or received therefor. This senti-

ment inspires them to spend money or employ leisure time in making improvements on their grounds, even though they may know that such labor will not bring them a reward of ten cents for each day's work. In fact, such betterments are often made with little thought of the pecuniary benefit to be derived therefrom.

RIGHTS IN PROPERTY.

The ownership of both land and personal property is capable of subdivision into many degrees. But for our present purpose we shall divide vested rights in property into two broad classes.

First. The right to possess and use a thing, personally. In this class may fairly be included the right to use the thing possessed, even if such use involve its destruction. Thus a farm tenant's right to fuel necessarily implies his right to consume it.

Second. The absolute ownership of a thing, the right to lease, sell, exchange, or to perform any other act therewith not adverse to the rights of the public. For it is a sound legal maxim that no man has a right to so use his property as to thereby injure the estate or person of his neighbor.

No one wishes possession of a thing unless he believes such right would gratify his desires or supply his wants to some extent. No one wishes to own a thing unless he believes such ownership would more fully gratify his desires or supply his wants than its simple possession and use. The possession and use of a thing, without its ownership, may be and often is considered very desirable; but such right is usually deemed inferior to the right of absolute ownership.

WHY POSSESSION OF A CERTAIN PIECE OF LAND IS DESIRED.

There has always been land the possession of which could be had without payment of price or rent. Men willingly pay rent for land only when they think its possession confers greater opportunities for obtaining wealth and

other objects of desire than other land which can be had for nothing. Men willingly pay more rent for one place than for another simply because the additional benefit of possessing the higher-priced land is greater than the additional rent demanded therefor. The natural rent of a piece of land is therefore less than the advantage given by its occupancy over the benefit which would arise from occupying land with a lower rent, or land free of rent.

The amount of land within a given radius cannot be increased. Whenever a change in its surroundings causes such an area to furnish better facilities for commerce or industry than it did, and better than lands with which it is in competition, the possession of such land becomes more desirable and the natural value of its rent is correspondingly enhanced. Whether the absolute ownership of such ground be in the State or in five thousand different individuals makes no difference with the natural rise of its rent. The want supplied by such land has been enlarged and intensified, the conditions encompassing it have been so changed as to enable it to supply a greater need than it previously could. Its possession therefore confers an increased advantage.

Monopoly of the land within a small area enables the monopolist to increase its rental above the natural level. But there are limits beyond which such artificial price can neither be raised nor maintained. Suppose one man bought all the real estate on Wall Street, and at once advanced his rents twenty-five per cent.: the advance would be paid only until other quarters could be obtained. In the end he might find his rents less than at first, because the business once transacted in Wall Street had moved and would not return.

If all the land in a country were owned by one individual, he would not be subject to competition, and there would be no practical remedy against unfair prices and rents, except in restrictive laws or violence. If all the land were owned by the State, exorbitant rents could only be reduced by either a peaceful or a violent change in the national pol-

icy. Far more fully than at present the tenure of every man's home would be dependent upon the manner in which government was administered. Officials would have greater power than they now have to show favoritism and to practice injustice.

WHY ABSOLUTE OWNERSHIP OF PERSONAL PROPERTY IS DESIRED.

Except to a limited extent, men are not satisfied with merely the right to possess and use personal property. This is so because a man can usually gratify his desires or supply his wants more fully by the complete ownership of a thing than he can by its partial ownership. Whenever a man, not in the employ of and receiving wages from another, performs labor upon a piece of personal property, the absolute ownership of such property is often necessary to enable him to obtain the full fruit and benefit of his toil. As those who hire others perform work indirectly, it follows that in all cases the creation of value by work upon personal property may fail of reward, unless such thing becomes the absolute property of him who directly or indirectly has added value to it.

In such case the value is not "intrinsic," but is associated with a particular thing. M is a shoemaker who buys a stock of leather and other materials with which to carry on his vocation. Upon this stock he works, and converts it into fifty pairs of shoes. By so doing value has been created. But this value is associated with the shoes, and, so long as it exists, cannot be separated from them.* How can M receive, as pay for his work, the value which it has created? That he is fairly entitled to it very few will deny.

It is apparent that M can make one or two pair of shoes to fit his own feet, and derive just as much benefit from the

* In Chapter VIII. we have shown how the value of a thing may be altered or destroyed without changing the intrinsic qualities of such thing. But the value of a given thing cannot be sold or exchanged without selling or exchanging the thing itself.

right to possess and use them, as he could from their absolute ownership. But, if his property in the remainder be restricted to personal possession and use, such limitation prevents him from doing the only acts whereby his labor can be fully rewarded, viz.: to sell or barter the shoes for such other thing or things as he may desire.

Whether M have absolute ownership of the shoes or simply the limited ownership implied by only the right to their possession and use, makes a great practical difference. Absolute ownership does not prevent his converting the shoes to his personal use; he can either sell, trade, or use them himself at pleasure. The greater right includes the less.

But the mere right of possession and use debars him from exchanging them for something else, no matter how necessary such a trade may be. Depriving M of the right to sell or exchange the shoes is therefore equivalent to depriving him of any reward for his work, except the small benefit from using them himself.

Facts similar to those in the foregoing case exist whenever a man directly, or indirectly bestows labor upon personal property and thereby renders it more valuable. The labor has become inseparably associated with the thing made more valuable, and absolute ownership is essential to securing any pay for his work, except to the extent to which such thing can be personally used.

WHY ABSOLUTE OWNERSHIP OF REAL ESTATE IS DESIRED.

Similar motives produce similar conduct. A man who converts bars of iron into a thousand horseshoes is not satisfied with the right to use those shoes on his own horse. He has worked on iron and created value, and this value every instinct tells him belongs absolutely to its creator. Men are not satisfied with the mere right to possess and use land, for the identical reasons which make them desire the complete ownership of personal property. They seek

the full ownership of land because they want to own fully the value which their labor on that land has created.

The foregoing considerations explain why it is that the earth's surface has been divided and made the subject of individual ownership. Land was originally held in common as it now is by savage tribes. A sparse population, living a nomadic life and subsisting by gathering wild fruits, hunting and fishing, are satisfied with common land; because, under such circumstances, the requirements of each man are met by an undivided interest in all the land and no definite, exclusive ownership of any part of it. Desire for division of land begins with the building of permanent homes and the development of agriculture and the industrial arts. As soon as a man bestows considerable labor or carries on a particular industry upon a certain piece of land, his first impulse is to secure permanent possession of it, and his next desire its exclusive ownership. He first sees the advantages of permanent occupation, and finally learns that ownership of the land is requisite both to insure permanent possession and also to enable him to obtain the full benefit of the value which his labor has conferred thereon.

Despotic force, for long periods and on a great scale, has often prevented the mass of mankind from enjoying the natural right of acquiring ownership of the soil upon which their labor has been spent. But the principle of justice that awards a man the fruit of his toil is eternal, and its perception cannot be permanently obscured.

As land has no intrinsic value, it necessarily follows that when a man confers extrinsic value upon it by the creation of certain conditions, such extrinsic value not being separable from the land, can be owned and fully enjoyed only by ownership of the land upon which such extrinsic value has thus been conferred. Otherwise the occupant of land which he improves creates value he cannot fully enjoy, because it is inseparably connected with something not owned by himself. It necessarily follows that to the extent which a man who permanently improves land is prevented from becom-

ing the owner of such land, he is prevented from enjoying the fruit of his own labor. Denial of private ownership of land is therefore denial of a man's right to the full fruit of the work he has performed in permanently improving it. When it is admitted that a man is entitled to the full enjoyment and benefit of his own labors, it necessarily follows that a man who drains a worthless swamp has a right to previously become its owner. Otherwise his labors mostly inure to the owner of the swamp; and if no one but the State have a right to own land, the chief advantage of his toil would accrue to the public and not to himself.

It is *possible* to conceive of persons so constituted that they would work just as diligently and practice as much self-denial and economy in creating wealth for the State as in producing wealth for the benefit of themselves and families; but as the appearance of any considerable number of such persons is not expected this year, our laws and institutions should be adapted to the present disposition of mankind.

It is true that men have rented land and made permanent improvements thereon. But, from choice, a man seldom becomes a mere tenant of land that he expects to permanently improve and occupy. He prefers to own the fee, because limited ownership and control of a thing are less advantageous than full ownership and control.

IF THE PRESENT OWNERS OF LAND RETAINED ITS POSSESSION AS TENANTS, HOW STATE OWNERSHIP, WITHOUT COMPENSATION, WOULD PRODUCE INJUSTICE.

In illustration of this, let us outline a familiar series of events. H is a young farmer who settles upon 160 acres of wild land. He works upon this land for twenty-five years, and the previously worthless tract has then become a productive farm. Trees and bushes have been cut down, stones removed, tough sod and tangled roots changed into mellow soil, orchards have been planted and reared, and fences, buildings and other improvements made.

The farm has then a considerable market value. This is

so for two reasons. First. The labor of H has created value by putting the land in such a state of cultivation, under such conditions, that the application of a given amount of labor thereon will yield a larger amount of valuable produce than before. Value has also been created by building a house and barns to shelter himself and family and his domestic animals from inclement weather. Second. The adjacent lands have been occupied by other farmers; the whole vicinity has been improved, and school-houses, churches and facilities for social and commercial intercourse and association with the rest of mankind have alike followed and formed a part of the general improvement.

The labors of the surrounding population have undoubtedly made the land of H more valuable than it could possibly have become solely from his own exertions. But the value thus impressed upon the land of H belongs justly to him; because, *while the neighbors were raising the value of his land, he was raising the value of theirs.* He contributed as much to the wealth of others as others contributed to his wealth. The growth of the nearest city added to the value of his land; but a portion of the source from which that city derived its growth and wealth consisted of the products created by his labor and farm.

To those familiar with the hard facts of the life of farmers, it seems ludicrously absurd to imagine that their ownership of land makes them "a class with special privileges." On the average, no persons have done more hours of hard labor for each dollar's worth of property they possess than the farmers, and no class has contributed more to the general welfare and prosperity of the country.

If H were to perpetually remain in health and strength; and *if* he should always wish to live in his present home; and *if* the amount asked for rent were no greater than the sum previously paid for ordinary taxes; and *if* no one could, by offering a higher rent, obtain possession at once of the farm and of the life-long labor of H; and *if* H never wanted to borrow money and pledge the farm as security,

it would make comparatively little difference should the State confiscate the full title to the land and thereafter make him pay rent as a tenant.

Should the amount of such rent be the rental value of the land "irrespective of improvements," it would be less than the ordinary taxes—in fact be substantially nothing, because the land could not then have been rented for five cents an acre. The phrase, "the full rental value of the land," must therefore mean the full rental value after improvements were made upon and near such land. If such rent be charged, H would be little better off than a newcomer who should step right in and rent the land upon which H has spent so many years of hard toil.

But, in fact, it is certain that H will eventually become unable to work. He will then, directly or indirectly, wish his support from the income or the principal of the value added by his labor to the farm. Events may lead him to desire to sell the farm and remove to another place. One incentive to labor and economy has been the idea of making provision to protect his family from poverty and hardship.

But this purpose will be defeated if the full title to the land be taken away. H can then neither rent his farm, borrow money on it, sell it, nor transmit it to his children. Under the full sanction of law, public opinion and the Church he has patiently toiled on year after year and created value beneficial not only to himself and dependents, but also to the whole community. The State now ruthlessly robs him of the greater portion of his earnings.

This theft has been advocated, on the ground that all lands should be confiscated for the purpose of punishing those who buy tracts and let them lie idle for the sole purpose of getting the valuable result of conditions created by the labor of actual owners and occupants upon adjacent lands. Let us suppose, for argument, that the ownership of unimproved land is wrong. Does it follow that the adjoining owner, occupant and improver of land should therefore be punished by taking away from him the land his toil

has improved? Should A be robbed because B has done wrong? Ought the owner of a vacant lot to be punished, because he lacks means to build a house thereon?

PRIVATE OWNERSHIP OF THINGS.

It has been said that man cannot justly become the owner of land, because land was not made by man, but by the Creator.

Iron, lead, copper and various other metals were made by the same Being who created land. Is private ownership of those metals wrong? A man who works upon one of these metals not created by human agency, and adds to its value, is deemed entitled to ownership of the value thus created. Furthermore, a man is considered entitled to buy, sell and exercise absolute ownership over those metals, without regard to the greater or less value his labor may have added to them. Land stands in the same relation to man as all other things created by the fiat which brought forth the world.

Traced to their source, all forms of wealth and every enjoyment are found due to the creative power of the natural laws and forces which the Great Benefactor has seen fit to establish and maintain. But, because the growth of wool was ordained by the Deity, does it follow that the man whose labors are spent in the care of sheep has no more right to their fleece than he who spends his time in idleness?

Man did not, nor cannot, create wheat. But labor spent in harmony with natural laws can cultivate wheat. Is ownership of grain, the production of which would be impossible by man's labor alone, a public injury?

The Lord created all kinds of animals. But does this fact prove that private ownership of a cow or a horse is a crime? Does it show that all domestic animals should be owned by the State and rented to individuals?

It has been said that a man's private ownership of land is necessarily an injury to all other men. This is equivalent to saying that it is a public injury to allow a man to reap

the full benefit of the labor which he has so performed as to make its value inseparable from the land upon which it has been spent. Such a saying assumes that work devoted to the permanent improvement of land is so much less meritorious than other forms of labor, that it is contrary to public policy to allow its full reward to be received by him who performs it.

The attempt has been made to prove that private ownership of land is in itself an evil, by asking: "What would happen if one man owned all the land in the world and refused to sell or rent any part of it?" Many questions as absurd as the foregoing could be asked without proving anything but the folly of the questioner. It might be asserted that the private ownership of grain and all kinds of seed was a public injury, and in proof thereof it might be asked: "What would happen if one man owned all the grain and seed in the world and refused to let any one have a particle of them?" Such puerile questions ignore the broad distinction between things bad in themselves and the perversion and abuse of good things.

The earth contains land enough for all the dwellers thereon. If one man have absolute ownership of a portion of the earth, he does not thereby necessarily debar other men from ownership of land. Such a claim is groundless. In all quarters of the earth there are immense tracts of vacant land to be had for nothing, and improved land can be had for less than the cost of the labor spent in making it habitable and productive.

It is not merely the lack of land which constitutes poverty. The owners of large tracts of land often suffer terribly from want of the bare necessities of life. Land, in itself, is valueless unless combined with labor and capital. The cry of distress which so often arises in all quarters of the globe is not simply a cry for land. Capital of various kinds, tools for creating wealth, sustenance, warmth, clothing and shelter are what are needed, and the absence of which makes mankind so helpless.

If one man own a large amount of land, and unfairly hin-

der other men from becoming the owners of the ground requisite for their needs, without doubt he injures other men. The same thing becomes true of the ownership of a large amount of money, machinery, railroads, provisions, or any other kind of personal property, when so used as virtually to be a source of oppression. Private ownership of personal property is constantly employed as a means of extortion, and private land ownership is also used to inflict wrong. But in both cases the private ownership is not, *of itself*, the essence of the evil. The wrong is simply a misuse, a perversion of a man's natural right to create and own the wealth which is separable from land and is therefore called Personal estate, and to create and own the form of wealth which is inseparable from land and is therefore called Real estate.

Like all other rights, the right to acquire wealth has limitations. Its perversion occurs whenever a man so exercises it that the just rights of other persons are thereby encroached upon. But whether such abuse of a natural right take place with reference to land or personal property does not affect the character of such act. Either case implies the existence of conduct which should be made the subject of legislative correction.

Recognition of the bad effects of a monopoly, in few hands, of immense amounts of land does not warrant us in drawing false conclusions therefrom. Such conceded facts form no greater reason for denial of a man's right to own a homestead or a reasonable amount of land, than the possession of an immense amount of money by one man, with its inevitable evils, forms a valid reason for entirely abolishing private ownership of money. Finding that a person is sick does not justify prescription of a remedy which will do more harm than good.

RISE OF LAND IN VALUE.

Many believe that the owner of land, which the growth of surrounding conditions causes to rise in value without his directly spending labor thereon, is not equitably entitled to

such enhanced value, because it is not solely the result of his own efforts. Let us consider this proposition, with the aid of an illustration which will compare such increase of wealth with another form of augmented wealth without labor, which few condemn.

A buys a small field, covered with brush and boulders, for \$200, and then spends a large amount of work in converting it into a pasture. B lives adjoining this field and wishes to obtain it for a cow pasture. He has saved \$1000 from his earnings and with it buys the field. At the time of such purchase B knows that the yearly value of the pasture is much less than the interest of the \$1000 paid for it, but the land lies on the outskirts of a growing village and he expects will eventually be wanted for building purposes.

A puts the \$1000 received for the land in a savings bank and allows it to remain there undisturbed for twenty-five years at compound interest. At the end of that time he finds himself, without having added either money or labor to his original investment, worth \$4000.

Meantime, B has kept the field and pastured his cow thereon; the yearly value of the feed being but little more than the cost of fencing. The village has steadily grown. Public buildings, bridges, grading and other improvements have been demanded, and taxes in increasing amount have been yearly collected. When the twenty-five years have expired, B sells his land for \$5000. At first sight it appears as if he had made a large profit, but computation shows that he has expended on its account, for taxation and assessments, a total of \$1000.

The result of these transactions is that A, without adding labor thereto, has converted \$1000 into \$4000; and B has converted \$2000 in like manner into \$5000. Each one has received \$3000 for which he gave no labor directly in return. The difference between the conduct of A in putting his money in the savings bank, and B in putting his money in the ownership of a field, was simply in the mode in which their capital was invested. Is not B entitled to his \$3000, just as truly as A is entitled to his? One is the "unearned

increment " of money just as truly as the other is the " unearned increment " of land.

On the average, throughout considerable periods of time, the "unearned increment" of money far exceeds any rise that has ever occurred in the value of land. If land increased in value faster than money at interest, men could incur debts equal to the purchase price of land and still make a fortune from the rise of real estate. A few shrewd persons, under exceptional circumstances, have made money by running largely in debt for land; but an overwhelming majority of such debtors have become bankrupt.

In the words of a millionaire banker :

" In the end, on the average, no one makes as much money as the man who resolutely keeps all his savings and profits in form of money and interest bearing evidences of indebtedness. A man heavily in debt and trying to make a profit out of any investment or business is like a swimmer struggling against the tide; in nine cases out of ten, the steady force of interest will gain the mastery."

It needs but little computation of the rate at which money increases to demonstrate the correctness of the above opinion of a veteran and capable observer.

SOME FACTS CONCERNING REAL ESTATE.

Undoubtedly there are numerous instances of individuals growing rich from their land, in particular locations and under special circumstances, rising to a value greater than its total cost. But, in connection with this, several facts should be considered.

First. The land which has so risen in value as to bring large gains to its owners forms a comparatively small portion of the total area upon which an expenditure of capital has been made. Profitable investments in land are more or less counterbalanced by others in which losses have been sustained. People who have never before examined the subject are usually surprised to find that their attention had been called to only one side of the result of spending money on land. Success is proclaimed with trumpets. Failure silently passes into oblivion.

Like all other modes of investing capital and labor, investments in real estate contain an element of risk. They may be profitable, or unforeseen events may cause them to entail heavy losses. States have never pursued the policy of reimbursing citizens for the losses sustained from real-estate enterprises. Would it be either wise or fair for a State to adopt a policy which should virtually say to her individual citizens: "Make investments of labor and capital in real estate. If they do not pay, you must bear all the losses; if they are profitable, hand over the gains to me,—they are 'unearned increment' and justly belong to all the people."

Second. Under the American system of law, nearly all the lands which have profitably risen in value have each and every day, while this rise was in progress, been for sale at their market price on those different days. Persons who invested capital in other forms did so because, in their judgment, such investments would yield a larger profit than land.

Land is constantly changing owners, and it is rare to find one piece remaining in the same hands for a considerable time. Arguments based on the theory that the present owners of land originally got it for nothing, except in comparatively few cases, are utterly false. A large portion of all the land in this country changes owners every ten years; and every generation witnesses a change in ownership of the major portion of real estate.

Third. Many investments in land, which at first sight appear profitable, are found not so when a computation is made of the expense incurred for taxes, grading, sewers, pavements, buildings, and the interest on all sums so expended. The apparently profitable land has simply served as a savings bank into which money and labor were continually put, and allowed to remain undisturbed at a low rate of interest. Many families, moderately rich long ago, have largely increased their wealth by steadily keeping all their available means, for two or three generations, invested in real estate within growing cities. In most of such cases the

yearly percentage of the rise of such land has been less than its price would have returned if otherwise well invested. The final result is due to diminished temptation to consume income, because the profits were continually in form of the same real estate with an enhanced value. Three per cent. per annum saved, increases a fortune more than nine per cent. per annum received and spent.

Fourth. Investments, both of money and labor, are constantly being made in a great variety of forms, which not only repay the amount so invested and a fair interest thereon, but also yield a profit. This profit, which may be called "unearned increment of business," is chiefly due to the cause which is most potent in enhancing the value of land, viz.: the advance in science, art, mechanical skill and kindred things, which are at once a source and a portion of the progress of mankind. Those who enjoy comforts and luxuries or receive profits from personal property which would have been impossible without the steadily increasing mastery over natural forces and consequent wealth which society is acquiring, *and workmen who get more necessaries for a day's labor than formerly*, occupy a position similar to those who gain by a rise in the value of land. An increase in the value of land, in a given place, occurs simultaneously with the development of invention, a better quality and greater variety of personal property, and greater ease of obtaining the necessities and luxuries of life.

Within reasonable limits, is not a man whose intelligence, savings and labor form one of the factors of the general increase of the world's wealth, and who contributes to the individual comfort and wealth of others, entitled to a share of this additional wealth?

On the average, those whose capital and labor are devoted to the care and improvement of land, contribute as much to the comfort and wealth of those whose means and energies are spent in adding value to personal property, as these latter persons contribute to the wealth of land owners. A State policy which debarred the owners of land from fairly participating in the increasing wealth

of mankind would therefore be both unjust and impolitic. In the outset it would commit a wrong to those who had been acting in good faith under laws previously existing. Thereafter it would offer a premium for men to engage in pursuits other than improvement of land. If those now engaged in creating value by improving land should be legally discriminated against, a speedy reduction in their numbers would inevitably follow.

HOW GREAT FORTUNES ARE USUALLY MADE.

Some persons imagine that the rich have obtained their wealth by monopolizing land, thus levying tribute from a large number of persons. But a little reflection will show that such conduct is ordinarily only possible to those who are already rich. The rich men of this country have mostly become so by themselves or their ancestors dealing in personal property. More than half the total wealth of the United States is owned in a few cities and is chiefly in the hands of persons skilled in buying, manufacturing, managing and selling personal property. To such men it matters but little who owns the land, so long as they can compel all the products of both land and labor to pay them a liberal commission for their services in handling and distributing such products to the consumers thereof. Fair payment for such services is equitable. But it should be remembered that a value equal to about one-fifth the total wealth of this country is yearly produced, and a slight percentage of overcharge for services rendered in its distribution amounts to a very large sum.

The first thing sought by a bright young man, eager for great wealth, is not the ownership of land, but a position where the valuable things created by the labor of a large number of persons upon land and its products shall constantly and speedily pass through his hands and pay toll for their passage. Investments which require several years to ripen and bear fruit he avoids. To practically increase the power of his slender capital by rapidly changing it from one form to another, each time mak-

ing a profit, is the object desired. For example, the value of a bale of wool may be enhanced by transporting it from Iowa to a woollen mill in Massachusetts. Its value is still further increased by converting it into cloth. The transportation of wool and its manufacture are analogous acts. Transportation changes the location; manufacture changes the form. In both cases the circumstances under which the wool has value—its relations to other things—are changed in a short period of time. The value added to the wool by manufacture is far greater and occupies much less time for completion than the value created by the farmer from whose sheep the wool was shorn.

A large portion of the wealth of the world is created and distributed by the association of land, labor and their first products with two things: Money and its representatives, and the Machinery of transportation and manufacture in their various forms; and transportation properly includes the passage of goods through the hands of wholesale and retail dealers. In a previous chapter we have discussed in detail the fact that value is not simply and solely the product of labor, but is a result of conditions. Money and Machinery are the means by whose use labor can most easily and rapidly produce value-creating conditions. Therefore, whoever to any considerable extent obtains the ability to buy, manage and sell one or both of these potent agents is in a position to which both land owner and laborer are alike compelled to render tribute.

The possessor of money and machinery may grow rich from their income without owning land. But the owner of land is comparatively helpless without the aid of money and machinery.

The abolition of all private ownership of land would not lessen the power of those who control both money and machinery. On the contrary, if all the burden of taxation were placed upon land, by making its occupants pay the full rental value to the State, the domination of the owners and managers of money, transportation and manufacture would be far greater than at present, because they would

pay less taxes than they now do, and this would tend to still further increase their wealth. The tendency for young men to leave the farm for the city would be greater than at present, because the advantages of middlemen would be relatively increased.

A trader's or a manufacturer's goods are protected from theft and fire by an expensive police and fire department; the judiciary enables them to enforce contracts; the lighthouse guides their vessels on the way, and in many other ways their business is protected and aided by government. But if all taxation were imposed on bare land, the thing which needs neither policeman nor fire-engine, a man could enjoy a large income from personal property without bearing his rightful portion of the expenses of government. Such a system would increase the present disparity of wealth. The burdens of the poor would be relatively greater, and the rich would grow richer with more ease than at present.

HAS A PERSON A RIGHT TO INHERIT LAND?

It may be said: "L owns a farm worth one hundred dollars an acre. He inherited this land from his father. The father inherited it from L's grandfather who bought it in the wild state for two dollars an acre."

In such case it is absurd to presume that because a man buys a tract of wild land for a nominal sum, he therefore gets a cultivated and valuable farm for nothing. L's farm owes its value chiefly to the labors of his ancestors upon it. It is true that L has inherited the value created by his ancestors by labor upon land. But there is no real difference between such an inheritance and the inheritance of an ancestor's labor in form of money or other personal property.

It is urged that all lands should be owned by the State for the purpose of "giving all children an equal opportunity." But, is it not certain that so long as one child inherits more of anything whatsoever than another, "equal opportunities to all" cannot exist?

If a man have no right to transmit to his children the value his labors upon land have created, then it follows that a man who creates value by labor upon personal property has no right to give such value to his children. In short, no one has a right either to devise or inherit property of any kind. A powerful incentive to industry and economy would be destroyed if the right to give or bequeath property were abolished.

Proceedings which would confiscate land, for the purchase or improvement of which a man had painfully accumulated the savings of many years, would be a hideous wrong. Is it not also clear that it would be unjust to deprive a family of land from which the State has, in the aggregate, in form of taxes and assessments, drawn a large sum, where no income would have arisen if it had always remained in the hands of the State? Such taxes have been paid on the theory that the individuals owned the land. If the State now declare to the contrary, is it not in honor bound to refund taxes the collection of which would have been impossible if the assessed land had not been in private hands?

AVERSION TO LAND OWNERSHIP.

If the ownership of land bring such great profit as some imagine, why is it that so large a portion of our population are averse to owning real estate and bestowing labor upon it?

Some kinds of business can only be engaged in by a comparatively small number of persons, possessing a franchise, a large capital, special skill, or all these requisites. But a man may become a real estate owner with a very small capital, without a charter, and without first making a large expenditure of time and money in mastering the principles and details of a special business; moreover, no limitation is placed on the number of persons who may own land.

Notwithstanding all this, many quite wealthy persons prefer not to own their homes or places of business; and many of the richest firms in the world have nothing what-

ever invested in land as a source of profit. Furthermore, multitudes of the poorer classes prefer to be tenants at a high rent in crowded cities, rather than to live in the country on land of their own or in villages at a low rent. A considerable number of persons, constantly in miserable poverty, stay in large cities, because ignorant where to go to better their condition. But multitudes of such people remain in crowded quarters from choice. So long as mankind will persist in herding together in great numbers within narrow limits, the demand for space and shelter within those limits must be great and their price proportionally high. No scheme has been suggested which would obviate this.*

HOW SHALL CHOICE OF LANDS BE MADE?

Until men love their neighbors as themselves there must always be brisk competition for first choice of the most fertile lands and those most desirably situated for business or residence. If individuals were debarred full ownership of land and all occupied the position of tenants of the State, the contest for choice of lands and location of lots would remain. State ownership of land would not change the present desire of mankind to acquire wealth; and the possession of a piece of ground, suitable to the wants of its occupant, then as now, would be an important factor in the successful prosecution of any business.

Suppose the State owned all the land and should let to A one-eighth of an acre of land situated on the corner of Broadway and Wall Street; and should let to B a lot of the same size situated in Tarrytown. It is evident that as the lot on the corner of Broadway and Wall Street affords more and greater opportunities for acquiring wealth than the Tarry-

* Query: Would it be practicable, as a sanitary measure, to enforce a law which decreed the number of persons permitted to inhabit each thousand square feet of land? In other words, could the over-crowding which now exists upon many acres of each large city be remedied and prevented by legal limitation of the population allowed to each acre?

town lot, if A and B were charged the same rent, gross injustice would be done. How shall a choice of locations be determined? How shall it be known whether R or S is to have first choice of two adjacent farms, one of which is far more fertile than the other?

Individuals might bid for choice and the award be made to the highest bidder. But that would be similar to the way lands have heretofore been selected, without its advantages. At present a man able and willing to pay more for a certain piece of land than any one else usually obtains it. The manner in which lands have been divided is chiefly due to the fact that their owners were willing to give more for particular pieces than any one else; otherwise, some one other than the present owners would have got them. Under a competition for the hire of land, it would be said that the rich and strong got first choice and hired all the most desirable lands, leaving the poor and the weak to occupy the most sterile lands and those where opportunities to obtain wealth were the fewest.

Farms and building lots could be apportioned, without competition, to different individuals every year by State officials. In such case the division of land would resemble the present method of awarding political offices after a Presidential election. Those who had most political influence would obtain first choice of the most desirable lands, and would pay no more rent than other persons were charged for land of inferior value. The tenure of a man's home would not then depend as much as at present upon his industry, economy and capacity to create wealth.

Temptation to oppression and wrong would then be far greater than under the present system of selecting lands, because bidders for a particular piece would stand on more unequal grounds of advantage over one another. Under State ownership of all lands, suppose M has rented ten acres of land for five successive years. When he first rented this field its rental value was ten dollars per year. Part of it was a swamp and the rest covered with large and small boulders. Soon after obtaining possession of this

field M goes to work upon it, and for five years thus occupies all the time he can spare from a vocation from which his daily bread is earned.

The result of the patient industry of M is that the field has been fenced with large boulders blasted and laid into wall; the swamp has been underdrained by ditches filled with cobble-stone, and the ground has all been deeply plowed and converted into mellow, fertile soil. The land which at the beginning of M's lease was worth only ten dollars a year has become worth eighty dollars a year.

The time arrives for a renewal of the lease of this field. In the first place, would it be just for the State to raise the rent of M and oblige him to pay the "full rental value" of what his own labor has created? Obviously it would not. How then is the doctrine that all lands should be rented at their "full rental value" to be maintained?

Secondly. Would it be right to allow a man who has never done an hour's work on this land to compete on equal terms with M and bid for its future possession? To answer this question in the affirmative would be equivalent to saying that M was not entitled to any more consideration from the State than a man who has spent his last five years in idleness. That would be placing a State bounty on idleness.

AN IMPRACTICABLE SCHEME.

With intent to make State confiscation and State rent of land appear equitable, it has been said that the rent paid the State should be levied only on the land "irrespective of improvements." But what is meant by the term "improvements?" N spends \$5000 worth of labor by digging ditches, removing stone, and kindred labors, in order to convert a previously worthless tract into productive ground. O spends \$5000 by putting a house on a village lot. If the building should be exempt from rent, ought not the land of N also to be exempt?

Here is a city lot on which no labor has been directly spent. But for many years it has been taxed for bridges,

streets and other adjacent works. Has not such a lot been "improved" just as truly as if its owner had spent money directly upon it? And if "improvements" ought not to pay State rent, would it be just for the "full rental value" of such lot to be charged against its possessor?

It is evident that if the absolute title to all lands be placed in the State, those already in possession of lands upon which they have expended labor will be unfairly dealt with if strangers, without restriction, be allowed to bid against them for possession. What should be done to make the bidding on each lot of land fair and equal, so that all have equal opportunities to rent a certain piece, would be an intricate and practically insoluble problem.

A rich man, sometimes, has a spite against a poor man and would like to compel him to move away. In such case, if all lands were rented by the State to the highest bidder, what chance would the poor man have to get his lease of a home, near the rich man, renewed?

Without compensating benefits such a system would destroy all the advantages of the present mode of holding lands. In the outset, every savings bank, insurance and trust company in the country, with a large portion of its assets invested in real estate mortgages, would immediately become bankrupt. Seizure by the State of the lands of the debtors of those institutions would render such debtors unable to pay either the interest or the principal of their obligations. The loss thus occasioned would fall at once on every depositor in a savings bank and on all who were previously protected by an insurance company.

THE TRUE PRINCIPLES OF TAXATION.

Levying a tax always implies infliction of a penalty in case of non-payment. This penalty usually consists in taking the thing taxed away from its possessor and selling it to some one who will pay the tax. A tax upon land of its rental value implies that failure to pay such rent will be followed by eviction from the land so taxed. The blessing of a home free from rent would then be denied to all.

The advocates of such a policy tell us land was created and intended as a gift to all persons, and should be as free as the sunshine. If that be so, what right has a State to tax what the Lord intended as a free gift, or to dispossess an occupant of necessary land if such tax be not paid? Has a State a right to tax sunshine and deprive men who fail to pay such tax of the light?

Those who affirm such propositions fail to see that injustice practised by a State toward an individual is just as criminal as wrong inflicted by one man upon another. State encroachments on individual rights are, in fact, more odious than private ones. Compared with a single citizen the State has overwhelming power; and its unjust exercise is as mean and cowardly as theft by an athlete from a blind cripple.

The true principle is that taxation should always perform a double duty. First. A revenue for the support of government. Second. The repression of conduct and the abatement of things adverse to the public interests.

A man's first duties are to his family and himself. The State should not make these primary duties more difficult by taxing any of the necessities of life.

The necessity for the major portion of the enormous revenue needed by government arises from vice and folly in their various forms. *As far as possible, the causes of taxation should bear the burden of taxation.* All public revenues should be drawn from taxes upon conduct and conditions more or less inimical to the general welfare. Luxuries, vices, follies, excessive wealth and, in short, all conduct, either of citizens or foreigners, which tends to generate injustice and evil should be taxed as far as practicable. Such a system of taxation would necessarily have a correlative effect, viz.: the encouragement of virtuous acts by freeing them from public burdens.

Instead of a policy which would make it impossible for any individual to ever become the absolute owner of a home-stead, that would make mankind more nomadic and lessen their interest in and affection for their homes, the State

should encourage every man to get a piece of ground and a home of his own. To this end, all homesteads, to a limited amount of value, should be exempt both from taxation and from attachment for debt. The tendency of such a measure would be to quietly and silently prevent and cure the evils of a monopoly of land by a few, as well as the evil of a tenant population with little interest in the soil upon which their toil and lives are spent.

FOLLY OF INVARIABLE TAXES.

Placing all taxation on land has been urged on the ground that such a measure would make each man's taxes as "certain and invariable" as is practicable to levy them. But this is precisely the reason why neither taxes on land or any other form of taxes upon necessities should be laid.

If each and every man's health, business, income and expenses were "certain and invariable," it would then be proper to collect "certain and invariable" taxes. But, in fact, the ability of the great majority of persons to pay a certain amount of tax, without more or less pecuniary distress being occasioned thereby, varies from year to year. Both income and expenses are subject to great fluctuations from a variety of causes.

Diminished resources often make it imperatively necessary for a great number of persons to economize in every possible way. When taxes are laid on things absolutely essential to comfort and existence, it is impossible to materially lessen their burden. But when only idleness, bad habits and conduct prejudicial to the common good are taxed, it becomes feasible to escape taxation almost entirely.

The legislative aim should be to levy taxes so that they will adjust themselves to the constantly varying capacity of individual tax-payers. "Certain and invariable" taxes are as absurd as it would be to order a certain and invariable size and shape of shoe for all persons. Shoes can readily be adapted to feet. But it is often difficult and usually impossible to mould a particular foot to an "invariable" shoe. Taxes can be fitted to a man's income. When individuals

have a fair chance to do so, the tendency is for each man to adapt the amount of all his expenses, including taxation, to his income. But a government which virtually attempts to fit each man's income to his taxes attempts an impossible task.

The extent to which a given burden will encumber an individual man, or an individual State, depends largely upon its adjustment. A twenty-pound weight strapped to one foot would soon prevent a stalwart man from walking further. But he could walk all day with twenty pounds neatly fitted on his shoulders. In like manner the extent to which a given weight of taxation will hinder the progress of a State depends on the degree to which it is laid where it will least encumber the vital and productive powers of such State. And each individual citizen is a better judge of the kind and amount of taxes which he can readily bear than the State can possibly be.

LAND TITLES.

To increase the certainty of titles, the State registers conveyances of land. But, as the number of transfers of land and the bulk of the volumes in which their registration is made constantly increase, the original purpose of a registry of land titles is now only partially effected. The books of public land offices are theoretically open for examination by all; but, practically, they are of service to only a few. Transfers are recorded in mass. An index is made of the grantors and the grantees; but no systematic attempt is made to trace and index the transfers of a particular piece of land, so that any one of ordinary intelligence can see at a glance in whom its title rests.

The result of these facts is that around every public land office, wherein a considerable number of conveyances are recorded, one or more private land offices have grown. Under our present system (or strictly speaking, our want of system), examination of the books of a public land office can only be properly made by a person trained to the business, and having in his possession notes of much

previous labor spent in searching the records. Such persons furnish what is called an "Abstract, or Certificate of Title" to any piece of land required. The fees for performing this service steadily increase with the volume of the transfers recorded. They have already grown so large as to form a serious obstacle to what is of great importance to every community, viz.: the cheap and certain sale and purchase of land.

In the direction it has already taken, the State should take another step. It should reform the mode of registering land titles and take upon itself the entire charge of furnishing abstracts of title to land. This would at once abolish private land offices, cheapen the cost of transfers and make land titles more clear and certain. Examination of the matter shows that in the end no individual can possibly make an index of land records, relative to a given piece of real estate, with the cheapness and certainty that the maker, custodian and owner of the entire land records can, to wit, the State.

PRESERVATION OF LIBERTY.

In one sense the title to all land is now vested in the public. The legal principle of "eminent domain" essentially rests on the assumption that the paramount right and title to all land remains in the State and that therefore the State has the right to resume ownership of any portion of it which may be needed for public purposes.

But, after centuries of controversies and bloody struggles, all enlightened nations now recognize the principle that it is just as wrong for a State to rob an individual as for one individual to rob another. *Theft is regarded as theft, no matter by whom committed, nor under what pretense.* Consequently, when a State takes possession of land, the private ownership of which is vested in an individual, it is considered bound to pay such owner the value of the real estate so taken. But, even by such payment, a State has no recognized right to take land from one man for the purpose of conveying it to another. Resumption of ownership of a

piece of land, by the State, can only be effected when the land is needed for public purposes and after making the owner due compensation.

If this were not so, the public burdens would not be fairly borne by all citizens; one man might be robbed of the land upon which his life-labor had been spent, while the rest of the community would receive benefit without bearing an equitable share of its cost. The principle of "equality of rights and equality of duties" would thus be ignored. A plundering despotism would exist, under whose reign no property of any kind would be safe from spoliation by government officials. Whenever we relapse into this mediæval barbarism, the day is at hand when the State will not be content with the confiscation of all private property in form of real estate. It will then soon stretch out its hand and confiscate all the personal property within its borders, in the name of Justice and Equality.

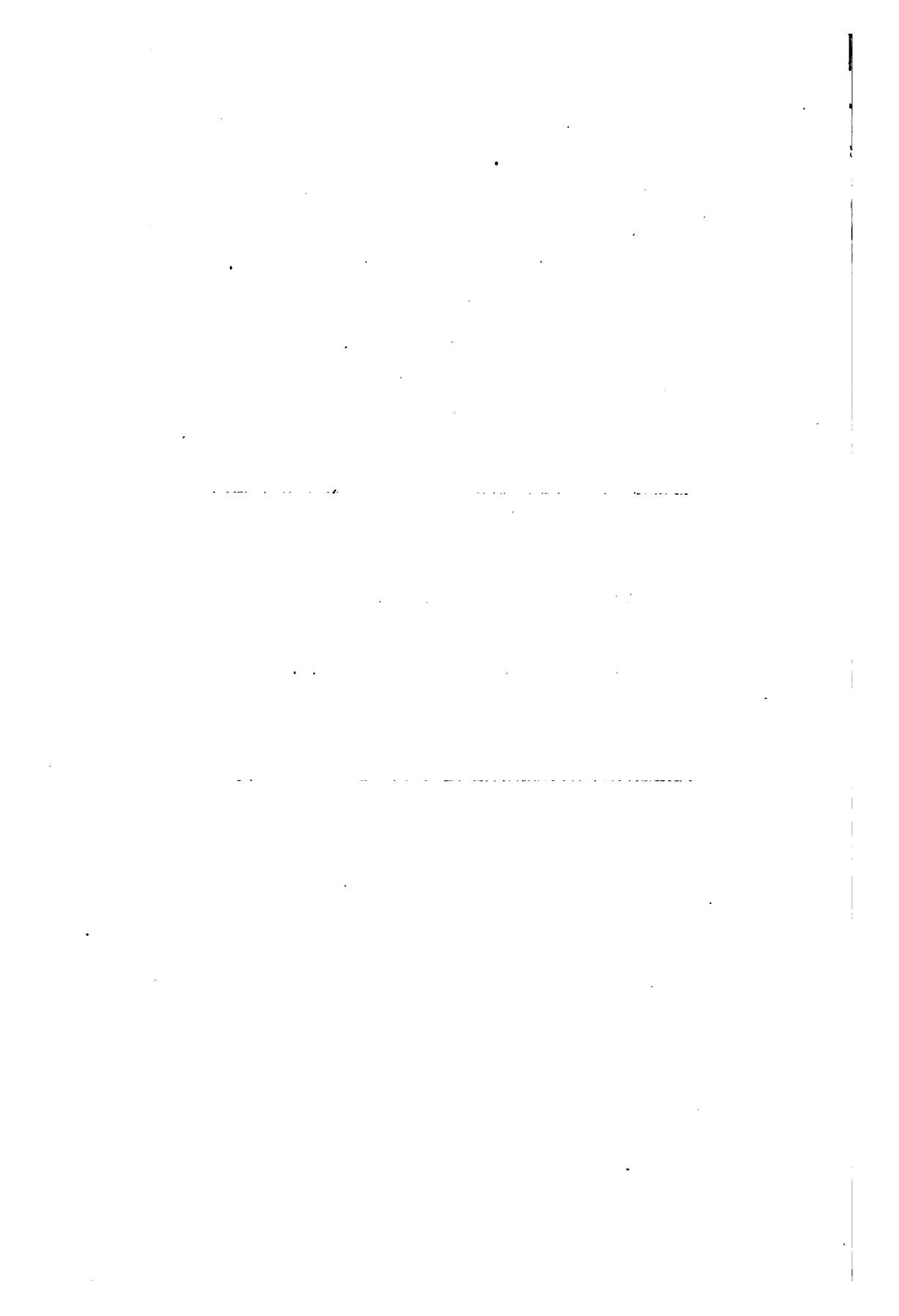
Happily, some fundamental principles, now firmly implanted in the American mind, must be uprooted before such an event is possible. The masses of the American people are both honest and patriotic. They have sanctioned rascally legislation; but always because they were misled and did not fully understand the issue before them.

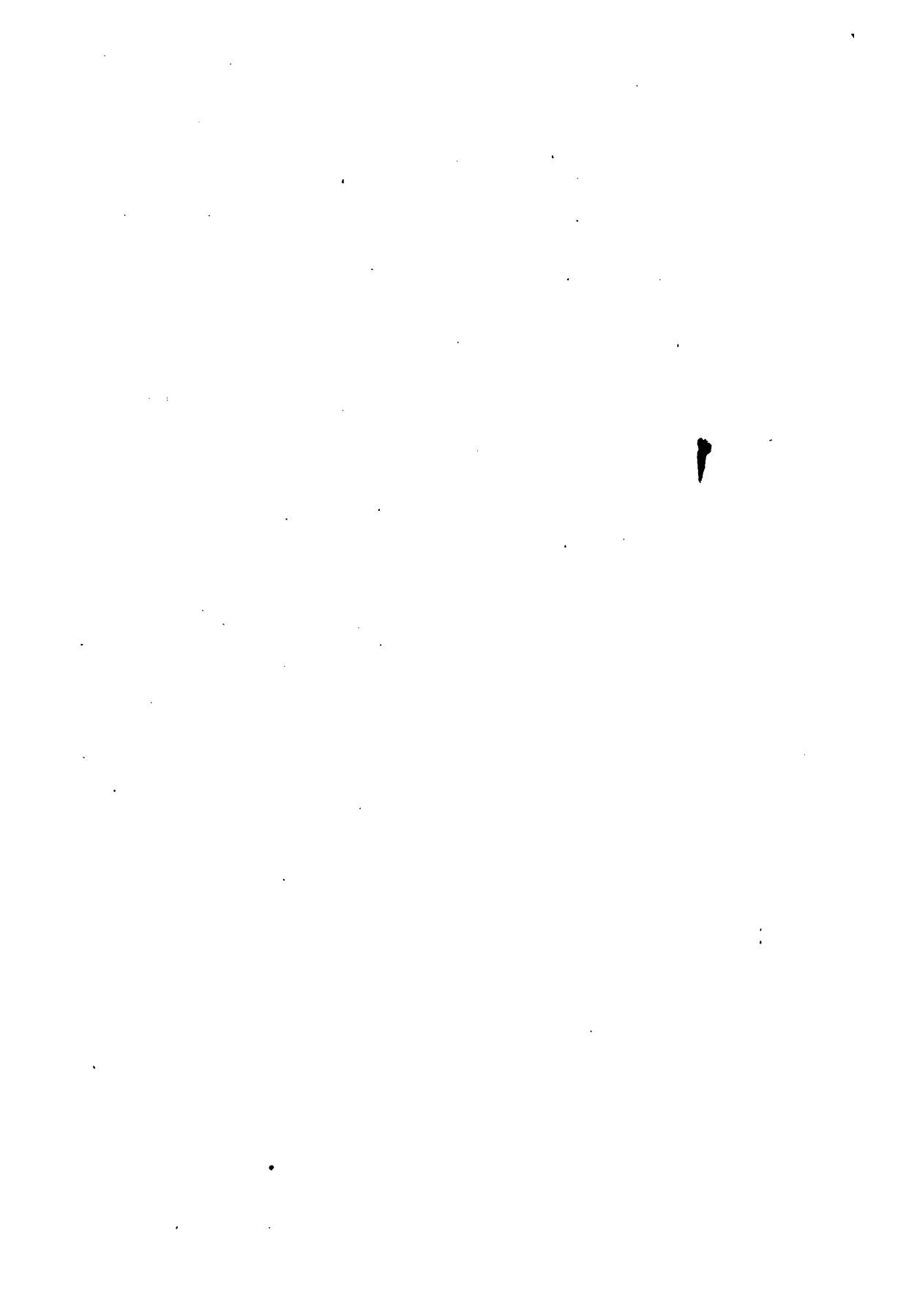
Moreover, the ideal of a home in this country is a house on a piece of land the complete title to which is vested in the residents thereon. The belief is ingrained that a man who practises the industry and self-denial requisite to create an abiding place for himself and family should have liberty to own such place and not be a mere tenant at the will and pleasure of another. A State landlord would be more odious than an individual one. At present there is a means of escape from paying rent; but if the State were the universal landlord, one of the dearest forms of liberty, the right to full and undisturbed ownership of a home, would be denied to all.

Long may facility of obtaining complete title to a home remain the proudest boast of this country!



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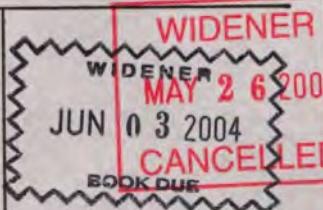


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